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Letter dated 2 February 2015 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council

I have the honour to transmit herewith the report of the Analytical Support and Sanctions Monitoring Team established pursuant to Security Council resolution 1526 (2004), submitted pursuant to paragraph (p) of the annex to resolution 2160 (2014).

I should be grateful if the report could be brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Jim **McLay**
Chair
Security Council Committee established pursuant to resolution 1988 (2011)

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Letter dated 1 December 2014 from the Analytical Support and Sanctions Monitoring Team addressed to the Chair of the Security Council Committee established pursuant to resolution 1988 (2001)

I enclose the report of the Analytical Support and Sanctions Monitoring Team, prepared pursuant to paragraph (p) of the annex to resolution 2160 (2014).

The Monitoring Team notes that the document of reference is the English original. For ease of reference, the three recommendations made by the Team appear in bold.

(*Signed*) Alexander **Evans**
Coordinator
Analytical Support and Sanctions Monitoring Team
established pursuant to resolution 1526 (2004)

Report of the Analytical Support and Sanctions Monitoring Team on specific cases of cooperation between organized crime syndicates and individuals, groups, undertakings and entities eligible for listing under paragraph 1 of Security Council resolution 2160 (2014)

Summary

While the Taliban have cooperated with criminal networks in Afghanistan since the 1990s, their involvement in criminal activity, including narcotics trafficking, illicit mining, collusion with "transport mafias" and kidnapping for ransom, appears to be increasing. The scale and depth of this cooperation is new, and builds on decades of interaction between the Taliban and others involved in criminal behaviour. At times, the Taliban have attempted to generate resources directly by acting as a criminal body. On other occasions, they have extracted revenue from, or in cooperation with, criminal networks. This trend has real consequences for peace and security in Afghanistan, as it encourages those within the Taliban movement who have the greatest economic incentives to oppose any meaningful process of reconciliation with the new Government. This is all the more reason to intensify efforts to use the Security Council sanctions regime to expose and disrupt Taliban involvement in, and links to, criminal activity.

The present report was prepared pursuant to Security Council resolution 2160 (2014), adopted on 17 June 2014. It examines specific cases of cooperation between organized crime syndicates, notably groups involved in kidnapping for ransom, in the production of and trade in narcotics, and in the illegal exploitation of natural resources in Afghanistan, including precious and semi-precious stones, and individuals, groups, undertakings and entities eligible for listing under paragraph 1 of resolution 2160 (2014).

I. Evidence base

1. The Analytical Support and Sanctions Monitoring Team was able to visit Afghanistan only twice, in February and November 2014, owing to the elongated political transition in the country following the elections. The Team received regular updates in writing, however, from various agencies and security organizations of the Government of Afghanistan. In addition, the Team has worked, in coordination with the Government, on the nexus between the Taliban and criminal organizations since 2013 (see, for example, S/2013/656, paras. 45-48, and S/2014/402, paras. 49-57). In addition to using material provided by the Government, the Team has used official information publicly released by the Department of the Treasury of the United States of America on established cases of Taliban cooperation with criminal organizations in Afghanistan.

2. To broaden the evidence base, the Team has discussed various aspects of the present report with specialists of the United Nations Office on Drugs and Crime (UNODC) and of other United Nations sanctions expert panels. The Team also liaised with a range of international experts and organizations who work on the trade of precious and semi-precious gemstones. Finally, the Government of Afghanistan facilitated discussions between the Team and a range of private sector stakeholders in Afghanistan on the generation of assets by the Taliban.

II. Scope of the report

3. The Taliban skilfully use their ability to exert violence freely in any part of the country to extract revenue and significant assets from the Afghan economy (see, for example, S/2014/888, summary). This slows down economic and social development by enabling and supporting cooperation with criminal networks and by denying the Government and the people of Afghanistan an important share of potential economic benefits.

4. Since 2001, the Taliban have developed a complex, robust and multifaceted system for the generation of assets in Afghanistan and the region. They are increasingly acting more like "godfathers" than a "government in waiting". Consequently, the Taliban are no longer dependent on a single financial stream to fund their activities. Donations from benefactors outside Afghanistan continue to play a role in the finances of the group. It is unlikely, however, that the Taliban depend significantly on this financial stream. Inside Afghanistan, the Taliban generate assets from a multitude of sources. They do so through the cultivation of opium poppy and the production and transport of narcotics, as well as by investing in companies, engaging in money-laundering operations, kidnapping for ransom, extorting Afghan businesses, illegally exploiting natural resources and engaging in other criminal operations.

5. It is beyond the scope of the present report to outline all aspects of Taliban asset generation. The main aim is to highlight and give an overview of a key aspect of Taliban economic activity: the cooperation of the group with criminal networks operating inside Afghanistan. As this cooperation has been developing since 2001, it is beyond the capacity of one single report to map out a complete or even nearly complete overview of the full extent of Taliban cooperation with criminal organizations in Afghanistan. The report is therefore the first systematic effort by

the Team to assess this matter. As a first step, it aims to develop a broad typology on the basis of specific examples to guide the Team's future work. The Team will focus in part on cases of which the investigation and judicial process has already finished in order to avoid disrupting current investigative work by relevant authorities of the Government of Afghanistan or other Member States.

6. The cooperation between criminal groups and the Taliban using traditional criminal tactics such as money-laundering offers new, and as yet untapped, opportunities to bring Security Council sanctions to bear against listed individuals and entities in an effective way. In Afghanistan, large-scale, organized criminal activity straddles the illicit and licit economies, as well as the informal and formal financial systems. Criminal operations in Afghanistan frequently depend on using elements of the formal economy, such as company registers, bank accounts and property deeds. As Security Council sanctions measures present a global legal obligation, they are most effective if employed against these elements of the formal (and regulated) economy.

7. While it remains critical to continue to impose sanctions and to put pressure on the top leaders of the Taliban, the cooperation between the Taliban and criminal groups as well as the use of criminal tactics by elements of the Taliban present a long-term challenge for Afghanistan. Taliban members involved in criminal activities will not benefit politically or economically from a potential reconciliation between the Government of Afghanistan and the top leadership of the Taliban movement. Pressure must continue to be placed on them, both by the Afghan police forces and the Security Council sanctions regime. This is particularly true given the increasing command-and-control problems of the top leadership over groups within the movement (see, for example, S/2013/656, para. 13, S/2014/402, paras. 20-24, and S/2014/888, para. 22).

III. Taliban and narcotics

A. Relationship between the Taliban and narco-traffickers

8. The Taliban have a long-standing, close relationship with the illegal narcotics economy in Afghanistan. Already during the emergence of the Taliban movement at the beginning of the 1990s, observers noted a sudden steep rise in assets at the disposal of the Taliban and speculated on their origin. Many assumed that the increase in assets was caused solely by a spike in donations from private donors based in the Gulf countries. Others argued that the assets were generated by a Taliban-controlled "trucking mafia" in Afghanistan. Finally, critics of the Taliban accused regional and global stakeholders of directly financing the Taliban. Since then, a number of memoirs of former and current Taliban leaders have been published, clarifying the situation. These biographies clearly demonstrate that right from the start, the Taliban movement received crucial funding through narcotics cartels headed by three Noorzai tribe members: Hajji Bashar Noorzai, Hajji Birgit and Hafizullah Khan.[1] The funding by Hajji Bashar Noorzai was crucial to the movement, and Noorzai remained an important adviser to Mullah Omar, listed as

[1] Carlotta Gall, *The Wrong Enemy: America in Afghanistan, 2001-2014* (Houghton Mifflin Harcourt, New York, April 2014).

Mohammed Omar Ghulam Nabi (TI.O.4.01), until the end of the regime.[2] The Taliban regime's economic "czar", Maulavi Abdul Kabir, listed as Abdul Kabir Mohammad Jan (TI.A.3.01), cultivated a close relationship with Hajji Baghcho, a major figure in the Afghan narcotics economy from Nangarhar Province.

9. The relationship of narcotics traffickers with the Taliban has not been a constant one. During discussions with Afghan officials in Kabul in November 2014, the Team was informed that the ban on opium poppy cultivation promulgated by the Taliban in July 2000 for the 2001 harvest was based on a combination of factors: international pressure on the Taliban regime and ideological considerations, but also a market-induced desire to reduce supply. The fact that, right until the end of the Taliban regime in Afghanistan, the trade in opium poppy and the production of and trade in heroin remained legal in the "Islamic Emirate"[3] supports this interpretation. Many Afghan interlocutors have alleged that massive stockpiles of the 1999 and 2000 harvests were hoarded by leading Taliban members and sold at a significant profit in 2001. In addition, land titles of indebted farmers were collected by Taliban regime leaders and narcotics traffickers after farmers defaulted on previous credit given to them in expectation of higher opium poppy yields (see S/2014/402, para. 50).

10. After the fall of the Taliban, the narco-traffickers appeared to have distanced themselves from the Taliban and tried to work with those newly in power. Hajji Bashar Noorzai attempted to cooperate with the international forces, handing over weapons.[4] He was subsequently arrested in the United States,[5] convicted on heroin trafficking charges and sentenced to life in prison in 2009.[6] Most of the cartels behind these traffickers, including the networks of Hajji Bashar and Hajji Baghcho, remained active. Some Noorzai tribe members allege that the targeting by international forces of the narcotics trafficker Hajji Berget in 2002 drove them to support the Taliban again.[1] In Noorzai villages in the districts of Panjwai and Zherai, opium poppy is cultivated. Ten listed Taliban leaders come from these villages, and 12 others come from the neighbouring districts of Maiwand and Arghandab.[7] According to UNODC, the area under opium poppy cultivation in

[2] Carlotta Gall recounts how Hajji Bashar Noorzai spoke up against surrendering Kandahar in a meeting headed by Mullah Omar in late November 2001 in Maywand district, Kandahar Province.

[3] Name of the political structure of the Taliban regime in Afghanistan until 2001.

[4] James Risen, "An Afghan's path from US ally to drug suspect", *New York Times*, 2 February 2007.

[5] See, for example, Frank Shanty, *The Nexus: International Terrorism and Drug Trafficking from Afghanistan* (Santa Barbara, Praeger, 2011).

[6] Benjamin Weiser, "Afghan linked to Taliban sentenced to life in drug trafficking case", *New York Times*, 1 May 2009.

[7] The listed individuals from Panjwai are Mohammad Hassan Akhund (TI.H.2.01), Yar Mohammad Rahimi (TI.N.15.01), Nik Mohammad Dost Mohammad (TI.N.19.01), Ubaidullah Akhund Yar Mohammad Akhund (TI.A.22.01, deceased), Mohammad Ahmadi (TI.A.31.01), Sayed Mohammad Azim Agha (TI.A.57.01), Mohammad Wali Mohammed Ewaz (TI.M.78.01, deceased), Jan Mohammad Madani Ikram (TI.M.119.01), Abdul Manan Mohammad Ishak (TI.A.122.01) and Saleh Mohammad Kakar Akhtar Muhammad (TI.K.149.10). The listed individuals from Maiwand are Mohammed Omar Ghulam Nabi (TI.O.4.01), Akhtar Mohammad Mansour Shah Mohammed (TI.M.11.01), Gul Agha Ishakzai (TI.I.147.10), Ahmad Zia Agha (TI.A.156.12) and Mohammad Aman Akhund (TI.A.158.12). The listed individuals from Arghandab are: Sayyed Mohammed Haqqani (TI.H.6.01), Hidayatullah (TI.H.14.01), Abdul Jalil Haqqani Wali Mohammad (TI.A.34.01), Mohammadullah Mati, a.k.a. Mawlawi Nanai (TI.M.68.01), Atiqullah Wali Mohammad (TI.A.70.01), Abdul Rahman Agha (TI.A.114.01) and Hamidullah Akhund Sher Mohammad (TI.H.118.01).

Panjwai and Zherai rose from 150 ha in 2002 to 8,423 ha in 2014. In Maiwand, it rose from 1,090 ha in 2002 to 16,228 ha in 2014, making it the third-largest area under poppy cultivation in Afghanistan.[8]

11. Taliban involvement in the cultivation of opium poppy and in the production of and trafficking in narcotics in Afghanistan can be classified into two basic types of relationships between criminal organizations and the Taliban. The first type relates to the Taliban using networks of narcotics traffickers to generate assets. In its fifth report, the Team highlighted the case of Etehad Beverage Company Ltd., in Kandahar Province. In that case, Abdul Habib Alizai (TI.A.148.10), also known as Agha Jan Alizai, a Taliban involved in the illicit drug trade, used two other traffickers in Kandahar Province, Atiqullah Ahmady Mohammad Din and his brother Sadiq Ahmady, to manage his business and financial affairs. The brothers subsequently set up a range of companies in a classic money-laundering operation, funnelling the proceeds of the companies back to Abdul Habib Alizai (see S/2014/888, para. 55). A second case in this first type of relationship is that of Lahore Jan in Jalalabad, Nangarhar Province. On 11 February 2014, the Office of Foreign Assets Control of the United States Department of the Treasury designated Lahore Jan as a major drug kingpin and of being involved in moving money for the Taliban and other narcotics traffickers using his hawala business, the Lahore Jan Shanwari Exchange.

12. The second type of cooperation involves Afghan drug lords who use proceeds from the illegal trade in narcotics in Afghanistan to finance the Taliban. One of the most prominent cases in this second category involves Hajji Juma Khan, in Kandahar Province. Hajji Juma Khan was arrested in Indonesia in 2008, brought to New York and charged with conspiracy to distribute narcotics with intent to support a terrorist organization.[9] In 2009, his network, the Hajji Juma Khan Organization, was identified as a "significant foreign narcotics trafficker" pursuant to the United States Foreign Narcotics Kingpin Designation Act.[10] Furthermore, in 2011, the Office of Foreign Assets Control designated the New Ansari Money Exchange and a range of money service providers and companies in the Gulf as part of a large-scale money-laundering operation for, among others reasons, laundering the illicit proceeds of the Hajji Juma Khan Organization.[11] The designation of the New Ansari Money Exchange also shed light on a second significant financial supporter of the Taliban in southern Afghanistan, Hajji Azizullah Alizai, in Helmand Province. Alizai had been identified by the Office of Foreign Assets Control as a drug kingpin in 2007.[10] Alizai was also identified by the Team, in 2011, as one of the more prominent financers of the Taliban (see S/2012/683, footnote 40).

13. The Taliban does not receive financing only from drug traffickers in the southern provinces of Afghanistan. In Nangarhar Province, Hajji Baghcho, a major figure in the drug trade, has also cooperated with and financed the Taliban. In 2012, he was sentenced to life imprisonment for conspiring to distribute heroin in the United States

[8] The only two districts with a larger area under poppy cultivation are Nad Ali/Marja (22,256 ha) and Nahr-i-Siraj (16,984 ha) in Helmand. See UNODC, *Afghanistan Opium Survey 2014: Cultivation and Production*.

[9] United States District Court for the Southern District of New York, *United States of America v. Haji Juma Khan*, Sealed Indictment S1 08 Cr. 621.

[10] United States Department of the Treasury Office of Foreign Assets Control, "An overview of the Foreign Narcotics Kingpin Designation Act (21 U.S.C. '1901-1908, 8 U.S.C.' 1182) and Executive Order 12978 of October 21, 1995", June 2010.

[11] Ibid., "Treasury designates New Ansari Money Exchange", 18 February 2011.

and for using drug proceeds to fund, arm and supply the Taliban. United States District Judge Ellen Huvelle in the District of Columbia ordered Baghcho to forfeit $254 million in drug proceeds, along with his property in Afghanistan.[12] According to the investigation leading to the conviction, Baghcho used a portion of his drug proceeds to provide cash, weapons and other supplies to the former Taliban governor of Nangarhar Province and two Taliban commanders responsible for insurgent activity in eastern Afghanistan, so that they could continue their "jihad" against western troops and the Government of Afghanistan.[13] Baghcho was able to generate significant profits from the drug trade. It is estimated that his profits in 2006 alone amounted to around $250 million.[14]

14. In 2011, Shah Mohammad Barakzai was captured by Afghan forces and convicted for drug trafficking.[15] His network was based in Gereshk, Helmand Province, and was involved in cultivation, production and trade aspects of the narcotics trade. Hajji Baz Mohammad controlled the cultivation, "Doctor" Abdul Hadi oversaw the processing of opium into heroin and Mohammad Wali in Kandahar laundered money through his two hawalas, the New Ahmadi Ltd. and the Mohammad Wali Money Exchange.[16] According to Afghan officials, Shah Mohammad Barakzai was also involved in financing the Taliban in Helmand Province.[17]

15. A criminal syndicate headed by Hajji Fatah Ishaqzay based in Helmand Province may be considered as a good example of a major trader in the narcotics business that has provided financial and in-kind donations to the Taliban. Members of the Ishaqzay syndicate have close relatives fighting with the Taliban. In addition, a hospital run by the syndicate offers free treatment to Taliban fighters. The syndicate provides most of its support through Akhtar Mohammad Mansour Shah Mohammed (TI.M.11.01) and Abdul Habib Alizai.[18]

16. In 2012 and 2013, the following were identified and prosecuted by the Government of Afghanistan: Hajji Ghulam Hazrat, Hajji Bakhtawar, Hajji Issa, Hajji Lal Jan, Hajji Amir Gul, Hajji Aman (alias Lala Khan), Fateh Khan, Hajji Sarwar and Saifullah.[19] The highest-profile narcotics trafficker recently prosecuted in Afghanistan is Hajji Lal Jan. He was captured and convicted in January 2014 but managed to break out of jail shortly after conviction.[20] Hajji Lal Jan is an individual who has been

[12] United States Department of Justice, "Haji Bagcho sentenced to life in prison on drug trafficking and narco-terrorism charges", 12 June 2012.

[13] United States Department of Justice, "Haji Bagcho convicted by federal jury in Washington, D.C., on drug trafficking and narco-terrorism charges", 13 March 2012.

[14] See Lalit K Jha, "Afghan drug lord jailed for life in US", *Pajhwok Afghan News*, 13 June 2012. See also United States District Court for the District of Columbia, *United States of America v. Haji Bagcho*, Government's memorandum in aid of sentencing, Crim. No. 06-334 (ESH), 4 June 2012.

[15] Lalit K Jha, "US slaps sanctions on Afghan drug lords", *Pajhwok Afghan News*, 21 June 2012.

[16] United States Department of the Treasury Office of Foreign Assets Control, "Treasury sanctions Afghan narcotics trafficking network", 20 June 2012. See also Lalit K Jha, "US slaps sanctions" (see footnote 15).

[17] Monitoring Team discussion with Afghan officials, Kabul, November 2014.

[18] Monitoring Team discussions with Afghan officials, 2012.

[19] See, for example, Meer Agha Nasrat Samimi, "Powerful drug lords nabbed last year", *Pajhwok Afghan News*, 28 March 2013.

[20] See, for example, Tamim Hamid, "From a Kabul prison to a house in Quetta: Helmand violence funder's spoor", *The Afghanistan Express*, 12 August 2014. This Afghan newspaper was singled out for alleged blasphemy in October 2014, and large-scale demonstrations forced its editor to flee Afghanistan.

involved in both narco-trafficking and the Taliban movement. He is the most important financier of Taliban fighters in Sangin district, Helmand Province.[21] As outlined in the Team's fifth report, the Taliban have been trying to wrest control over this district for a number of years and mounted significant military operations to this end in 2014 (see S/2014/888, para. 9). Consequently, Hajji Lal Jan is considered to be a very important drug lord who holds an important stake in the Taliban movement in Helmand Province.

B. Assets generated by the Taliban directly from narcotics

17. In addition to cooperating with narco-traffickers, the Taliban tap into the supply chain at each stage of the narcotics trade (cultivation, production and trafficking) in Afghanistan. In its fourth report, the Team wrote that the Taliban were collecting 10 per cent of the proceeds from opium cultivation as *ushr* ("land tax") from farmers in Helmand Province (see S/2014/402, para. 50, and S/2012/683, para. 37). During the Team's discussions with relevant officials from the Government of Afghanistan over the past few years, it has become clear that this is not a phenomenon limited to Helmand Province alone. Whenever the Taliban are able to exert pressure through violence over the local population, they will "tax" farmers.[22] However, research has also demonstrated that this "taxation" is not uniform but complex and that it varies according to local circumstances.[23]

18. The Taliban does not generate revenue only by levying *ushr* on the cultivation of opium poppy. Even in provinces classified as "poppy-free" the Taliban are involved in narcotics. In the south-east of Afghanistan, the Taliban taxed the marijuana harvest of Paktia Province in 2012 and 2013, deploying mobile teams on motorcycles to collect cash from cultivators, depending on the size of their marijuana fields.[24]

19. Finally, Taliban influence is positively correlated not only with the cultivation of opium poppies but also with the presence of drug laboratories. Afghan officials have pointed out to the Team that Taliban training camps are sometimes located near heroin laboratories.[24] This phenomenon was also noted by Afghan police authorities in February 2014, during fighting in Deshu.[25] In a second example, the fighting that took place in mid-2014 in Helmand Province centred on the district of Sangin. Afghan security officials explained to the Team that one reason for the sustained efforts by Taliban groups (in part financed by Hajji Lal Jan) to gain control of the district was the network of heroin laboratories located there.[26]

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[21] Monitoring Team discussions with a high-ranking Afghan security official, Kabul, November 2014.

[22] See, for example, Gretchen Peters, *How Opium Profits the Taliban* (United States Institute of Peace, August 2009).

[23] See, for example, David Mansfield, "'From bad they made it worse': the concentration of opium poppy in areas of conflict in the provinces of Helmand and Nangarhar" (Afghanistan Research and Evaluation Unit, May 2014).

[24] Monitoring Team's discussion with Afghan officials, November 2014.

[25] See, for example, Shams Jalal, "Taliban run training camps near Pak border", *Pajhwok Afghan News*, 12 February 2014.

[26] Monitoring Team discussion with Afghan security officials, Kabul, November 2014.

20. Trafficking opium and heroin out of Afghanistan significantly increases the value of the drugs and is therefore central to the generation of assets within the illegal narcotics economy. Here too, the Taliban profit. According to Afghan officials, the Taliban are one of the major guarantors for the trafficking of raw opium and heroin out of Afghanistan.[27]

21. Hajji Kotwal Noorzai has been the head of a major Afghan drug trafficking network. He owned several heroin processing laboratories in Helmand and Farah Provinces. He has also controlled drug compounds in countries neighbouring Afghanistan and in the Gulf. In early 2008, Hajji Kotwal was in close contact with Taliban groups concerning the provision of logistical and financial support. He purchased weapons and transported them to Taliban fighters. In return, the opium poppy crops controlled by Hajji Kotwal inside Afghanistan remained undisturbed by the Taliban. In addition, the Taliban facilitated the transport of narcotics through Helmand Province and across the border of Afghanistan. Hajji Kotwal was appointed by the Taliban's Quetta Shura[27] to collect zakat (charity) from other narcotics traffickers operating in Girdi Jangle. In return, Taliban fighters provided security for Hajji Kotwal's drug shipments. On 19 May 2009, approximately 3,150 kg of opium belonging to him were destroyed in an operation in Afghanistan. On 31 May 2013, Hajji Kotwal Noorzai was designated as a significant foreign narcotics trafficker by the Government of the United States.[28]

IV. Taliban and the illegal exploitation of natural resources

22. Natural resource exploitation is central to the future economic development of Afghanistan. In the inauguration speech he gave on 29 September 2014, the President of Afghanistan, Ashraf Ghani Ahmadzai, emphasized that the country's "important location, waters, natural and human resources will bring about a profound economic change in the country". This topic has generated a significant amount of literature from a wide range of organizations.[29] A growing amount of literature has also examined the issue of governance inside Afghanistan and the exploitation of natural

[27] Also known as the Kandahar Shura. "Quetta Shura" is a term commonly used to describe the most senior Taliban leadership but does not refer to any fixed geographical location.

[28] Financial Action Task Force, "Financial flows linked to the production and trafficking of Afghan opiates", June 2014.

[29] See, for example: Oli Brown and Erin Blankenship, *Natural Resource Management and Peacebuilding in Afghanistan* (United Nations Environment Programme, May 2013); Renard Sexton, *Natural Resources and Conflict in Afghanistan: Seven Case Studies, Major Trends and Implications for the Transition* (Afghanistan Watch, July 2012); Abdul Ghafar Rassin, *A Comprehensive Study of Marble Industry in Afghanistan* (Afghanistan Investment Support Agency, Kabul, April 2012); Melissa Skorka, "Afghanistan's untold success story", *Foreign Policy*, 22 October 2013; and Mining Communication Ltd, "*Mining Journal Special Publication Afghanistan*", London 2006.

resources.[30] While most of this literature mentions the security situation, a systematic breakdown of how the Taliban generate assets from the exploitation of natural resources has not been attempted.

23. It is now possible to make a fairly detailed assessment, on the basis of research and interaction with government officials, non-governmental sector specialists and private sector stakeholders in Afghanistan.[31] Current information available to the Team indicates that Taliban penetration of the natural resources sector is deep and that extortion in that sector is fairly pervasive. Private stakeholders informed the Team that the Taliban and other groups regularly threaten mining and extractive companies across the country. In one instance, a government-licensed mining operation had to be stopped because it had been threatened simultaneously by representatives of the Taliban, the Haqqani Network (TE.H.12.12) and elements of the Hizb-I-Islami Gulbuddin, a group led by Gulbuddin Hekmatyar (QI.H.88.03). All three groups threatened violence unless the company was willing to pay them and demanded that the company not pay taxes to the Government of Afghanistan or other, competing, groups. Since this presented an unsolvable challenge for the company, it ceased operations altogether. The company is currently unable to fulfil its obligations under its government licence. Control for the resources in the area are now being fought over by the three groups (the Taliban, the Haqqani Network and Hizb-I-Islami Gulbuddin.[32]

24. In the extractive sector, three major types of Taliban involvement exist. In the first, the Taliban seem to be directly involved in the extraction of natural resources in the country. In the second, the Taliban extort or try to extort assets from government-licensed and unlicensed mining operations. In the third, the Taliban are acting as "service providers" for unlicensed mining operations in the country.

25. In the first type of involvement, the Taliban, owing to their sustained presence and control over a particular territory, are involved in the extraction of the natural resources. In its fourth report, the Team highlighted the direct involvement of the Taliban in the mining of onyx marble in the southern part of Helmand Province. In the marble-rich southern part of the province, the Taliban have direct control over at least 35 active mining operations through which they extract a sizable amount of onyx marble, smuggle it out of the country and inject it, with the use of forged documents of origin, into the global onyx marble market (see S/2014/402, paras. 51-55).

26. In such situations, the Taliban generate the maximum amount of profit. To be able to operate in this manner, however, it is necessary to have direct and sustained control over the territory in which the mines are located as well as the routes through which explosive materials for the mines can be supplied and through which the onyx marble can be smuggled out of the country. The Taliban also benefit, however, from the extraction of natural resources, semi-precious and precious gemstones despite

[30] See, for example: Matthew P. Dearing and Cynthia Braden, "Robber barons rising: the potential for resource conflict in Ghazni, Afghanistan", *Journal of Security and Development*, vol. 3, No. 1 (2014); Wilton Park, "Beyond extractive sector transparency: driving prosperity and stability through good governance", conference report (March 2014); Integrity Watch Afghanistan, "Chromite extraction in Kunar, factor of [in]stability: case study" (November 2013); Global Witness, *Building for the Long Term: Avoiding the Resource Curse in Afghanistan* (Kabul, February 2014); and Angela Hawken and Jonathan Kulick, *Comparative Study of Mining-Sector Governance* (Integrity Watch Afghanistan, Kabul, 2014).

[31] These contacts were facilitated by the Government of Afghanistan.

[32] Discussion with Afghan private sector stakeholders, Kabul, November 2014.

being unable to control, in a sustainable manner, the territory where these resources are located. In these areas, the second type of Taliban involvement can be observed. Here, they extort assets from mining operations using their capability to create insecurity and to inflict targeted violence on companies and private sector stakeholders.

27. One example of this second type is the situation surrounding the lapis lazuli mines in the Kuran wa Munjan district in Badakhshan Province. This southern district of Badakhshan holds no particular military or political significance for the Taliban movement. According to official data from the Government of Afghanistan, the district population is nearly 100 per cent Tajik,[33] which indicates that the district can be considered a stronghold of forces opposing the Taliban. Nevertheless, the Team observed regular and sustained military efforts by the Taliban to retain control of the roads providing access to the lapis lazuli mines in 2013 and 2014.[34] Currently, the mine is exploited by various individuals who do not hold an official licence from the Government of Afghanistan.

28. According to sector specialists consulted by the Team in Kabul in November 2014, the Taliban extort around $1 million annually from individuals wishing to exploit the mines in Kuran wa Munjan. These individuals are willing to pay this amount in exchange for being allowed to mine without fear of Taliban attacks. In addition, the Taliban extort on average 60,000 afghanis (around $1,200) per truck of mined lapis lazuli once it is transported away from the mines. Although no official government data is currently available on the amount of lapis lazuli mined per year, industry specialists assume the total to be between 200 and 300 trucks per year. Consequently, one estimate suggests that the Taliban are able to earn an additional $240,000-$360,000 per year from the transport operations.[35]

29. While the amounts that the Taliban are able to extort from lapis lazuli mining in Kuran wa Munjan do not seem particularly large, it is important to keep in mind that this district houses the most prolific lapis lazuli mines of the country. Therefore, Taliban extortion activities are based at the centre of lapis lazuli mining in Afghanistan. They are denying the Government of Afghanistan most of the income from this resource. A similar extortion operation seems to hinder the mining of chromite in Logar, Wardak, Paktika and Khost. In one case, currently unconfirmed information provided to the Team points to a Taliban share of around two thirds of all proceeds from unlicensed chromite mining in Paktika.[35]

30. In the third type of Taliban involvement in the extractive sector in Afghanistan, local Taliban groups act as quasi "service providers" for unlicensed mining operations. For example, there are unlicensed ruby mining operations in Jagdalak, Kabul Province. Here, the Taliban seem to act as facilitators of the mining operations, providing "security" by preventing government forces from taking control of the area surrounding the mines. For this "service", the Taliban demand around 15 per cent of the proceeds from the various mining operations. This money is channelled directly to the Taliban leadership outside the country. Since these mining operations are not officially licensed, no government data exists concerning

[33] Ministry of Rural Rehabilitation and Development of Afghanistan, "Summary of district development plan, Keran wa Menjan district, Badakhshan Province", May 2008.

[34] Monitoring Team discussions with Afghan security officials in 2013 and in February and November 2014.

[35] Monitoring Team discussion with sector specialist, Kabul, November 2014.

the amount of rubies mined in Jagdalak. However, industry specialists estimate that the total proceeds from unlicensed ruby mining in Jagdalak could be as high as $16 million annually.[36] In addition to the money paid to the Taliban in order to limit state control, local Taliban groups earn an additional "fee" for transporting these illegally mined rubies through Afghanistan and across the border.[37] These local Taliban groups are reported to charge 20 per cent of the proceeds to transport the stones. Finally, the Taliban "smuggling service" for unlicensed precious stones seems to extend to the transportation of illegally mined emeralds from northern Afghanistan[38] at similar costs to the transport of rubies.[39]

V. Taliban and kidnapping for ransom

31. The use of abductions by the Taliban to generate assets demonstrates the network's drive to become, at least in part, a crime cartel in spite of the fact that publically the Taliban propaganda apparatus attempts to portray a different picture of the movement. In the past three editions of the Taliban "internal guidelines" (*layeha*) it is stressed that abduction for ransom should not be carried out.[40] Nevertheless, between 2003 and 2014 the Taliban regularly abducted Afghans and foreigners in Afghanistan in increasing numbers. This was frequently done by a small Taliban group stopping public transport vehicles on a main road and pulling out individuals they believed to be unsupportive of the insurgency. While some of those individuals would be executed on the spot, most were held nearby so that ransom payments could be extracted from their relatives. Starting in 2005, the road between Kandahar and Herat, and then starting in 2006, the road between Kabul and Kandahar, were regularly targeted.[41] In the overwhelming majority of cases, the release involved the intervention of local elders and peer community pressure, exposing the local roots of most Taliban units.

32. Early abductions were mostly hit-and-run operations that focused on the personal belongings of the victims and had more the character of banditry with political overtones. At noon on 11 March 2005, on the main road near Gereshk district, Helmand Province, the Taliban, under orders from Mullah Akhtar Osmani (former Taliban military commander, deceased on 19 December 2006), abducted four Albanian citizens working for Ecolog, a company supporting the International Security Assistance Force, and shot them on the same day. The Taliban perpetrators wore police uniforms.[42] In another case, on 27 December 2005, two Afghans employed by international military forces in Qalat city in Zabul Province were abducted in broad daylight in the main market area, close to the base of the Provincial Reconstruction Team. They were reportedly carrying more than $5,000

[36] The worldwide ruby market is reportedly absorbing smaller amounts of Afghan rubies at the moment, as other production countries have a higher and cheaper output. The actual revenue therefore might be lower. Monitoring Team discussion with sector specialists, New York, 28 July 2014.

[37] See, for example, *Pajhwok Afghan News*, "Jagdalak rubies end up in Peshawar", 14 April 2014.

[38] See, for example, *Pajhwok Afghan News*, "Panjsher emerald mine in a state of neglect", 16 September 2014.

[39] Monitoring Team discussions with Afghan security officials and sector specialists, Kabul, November 2014.

[40] The original text of these guidelines from 2009, 2010 and 2013 are with the Monitoring Team.

[41] Monitoring Team discussion with Afghan security officials, 2013.

[42] Information provided by the Government of Afghanistan.

with them. The abductors told bystanders that 300 Taliban had deployed to Qalat and would kill anyone cooperating with foreigners in the province. The incident essentially closed the city for most of 27 and 28 December 2005. The two individuals' bodies were not found.[42]

33. In most cases, the Taliban also used this tactic to demonstrate their influence over a particular area and coerce locals into acknowledging their influence. Communities resistant to Taliban influence were singled out. On 28 June 2005, the Taliban kidnapped the son of a large Hazara landowner in Khalaj, Gizab district, Urzgan Province. In order to release his son, the landowner had to provide the local Taliban with weapons and ransom money, as well as to recognize their "authority".[41] On 25 November 2006 in Shahwali Kot district, Kandahar Province, the Taliban abducted 12 locals in an attempt to coerce their relatives to support the insurgency. On 21 November 2006, in Baghran district, Helmand Province, the Taliban abducted two Pakistani journalists claiming they lacked "the appropriate papers for entering Afghanistan" and released them five days later, unharmed.[42]

34. After the first presidential election in Afghanistan was held in 2004, three United Nations election workers were abducted in Kabul on 28 October 2004. The abduction was performed by a small group of professional criminals who subsequently contacted the Taliban faction "Jaish-ul-Muslimeen" led by Sayyid Akbar Agha. Public demands made by the group included the withdrawal of international military forces and the release of two dozen Taliban prisoners, among other political goals. By contrast, the actual negotiations focused solely on a ransom of allegedly $3 million, which was never actually paid.[43] Confusion among the group holding the hostages and increasing pressure by Afghan security forces on the gang in Kabul led to the release of all three hostages on 23 November 2004. Pakistan arrested Sayyid Akbar Agha in his flat in Karachi in January 2005 and extradited him to Afghanistan.[44]

35. The group responsible for the 2004 abduction in Kabul was led by Najibullah, son of Abdullah, also known as Ra'is Khudaidad, a native of Khost Province. During the years following the abduction, the group continued to engage in robberies, burglaries and abductions. Najibullah and his gang targeted rich Afghan businessmen and foreign aid workers and agencies (including a micro-lending agency). The network also assassinated a police officer in Kabul and assisted the Haqqani Network in gathering information in preparation of attacks. In at least one case, it attempted to abduct a foreigner and to provide this hostage to the Haqqani Network. Ra'is Khudaidad was captured by Afghan security forces in September 2014.[42]

36. Since 2005, the number of international hostages taken by the Taliban purely to generate revenue has increased, with ransoms reportedly paid in a number of instances. The total sum paid is estimated to amount to at least $16 million, although the Taliban has claimed to have received more than $20 million.[41] Major Taliban figures who have been involved in kidnappings for asset generation since

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[43] Information provided by the Afghan Government. See also Sayyed Mohammad Akbar Agha, *I am Akbar Agha: Memories of the Afghan Jihad and the Taliban* (Berlin, First Draft Publishing, 2013).

[44] Sayyid Akbar Agha was convicted by the Supreme Court of Afghanistan to 16 years of imprisonment. He was pardoned by President Hamed Karzai and released on 2 April 2010 under the condition that he would remain in Kabul. In May 2014, he launched another political movement, called "Afghanistan's road to salvation".

2005 are Mullah Matin (deceased on 4 September 2007), Mullah Abdullah Jan (shadow district governor of Qarabagh, deceased on 18 September 2007), Mullah Sadr Ibrahim, Mullah Nasir and Mullah Nizamuddin (deceased on December 2007).[41]

37. Increasingly in kidnapping cases, the mantle of ideological conflict and political demands are used by the Taliban or criminal groups acting on their behalf to cover up the extraction of ransom payments. The victims in the first years of the insurgency were exposed by having contracts with the Government or the international community or by belonging to ethnic or tribal groups seen as not supportive of the Taliban. Over time, however, the abductors shifted their focus from using abductions as an instrument of intimidation and terror to targeting financially valuable international targets or financially well-off local Afghans from whom increased ransoms could be expected.[45]

38. In one example from early 2013, a well-to-do merchant from Gardez in Paktia Province was abducted on the road to Logar Province. He had never been in contact with the Government or international military forces. His abductors transferred him to north Waziristan, Pakistan. His relatives negotiated with Abdul Latif Mansur (TI.M.7.01), the shadow governor of the Taliban for Paktia Province. In the end, the victim was released only after a sizable ransom was paid to the Taliban. The victim reported after his release that he was held by specialized hostage takers who were not members of the Taliban.[45]

VI. Taliban and other forms of organized crime

39. In addition to being involved in the illegal narco-economy, in the extractive sector and in kidnapping for ransom, a general survey of organized crime in Afghanistan reveals the presence of a multitude of groups ranging from urban-centred abduction gangs to rural bandits, as well as gangs that specialize in human trafficking and illegal immigration, including of Afghans wanting to go abroad, for example to work in Europe.[46] Monitoring Team discussions with relevant officials of the Government of Afghanistan have outlined the close connection between the Taliban and organized crime in Afghanistan at several levels. At the most basic level, the insecurity generated by Taliban military and terrorist operations hinders the work of Afghan police forces in fighting general crime in the country.[47]

40. In addition to this low-level connection between the Taliban and criminal activities, there are also examples of the strategic use of criminal tactics by the Taliban, such as money-laundering operations through front companies, starting even before their ouster from power in Afghanistan in 2001. The most prominent case in this category is that of Hajji Abdul Baqi Bari (also known as Ra'is Abdul Bari). Bari was designated for being a Taliban financier by the Office of Foreign Assets Control in 2012.[48] From very early on, Bari acted as one of the major money-launderers for the Taliban leadership. For example, during the Taliban regime, the Taliban

[45] Monitoring Team discussion with international kidnapping for ransom specialist, 2013.

[46] Crime statistics of Afghanistan for 2013-2014 provided to the Monitoring Team by Afghan government officials, Kabul, November 2014.

[47] Monitoring Team discussion with high-ranking Afghan police officials, Kabul, November 2014.

[48] United States Department of the Treasury Office of Foreign Assets Control, "Treasury imposes sanctions on individuals linked to the Taliban and Haqqani Network", 17 May 2012.

transferred $2.8 million to Bari from an account in Europe in order to prevent those assets from being frozen.[49]

41. In 2002, building on this established and trusted relationship, Mullah Omar and Usama bin Laden (deceased in 2011) provided Bari with over $160 million to launch a range of front companies inside and outside Afghanistan to prevent the new Government of Afghanistan from freezing those assets.[48] In 2006, Pakistani media reported the freezing by Pakistani government authorities of 31 individual bank accounts and an additional 15 bank accounts linked to two companies in Pakistan controlled by Bari.[48] These operations by Pakistani security forces point to the significant size of Bari's money-laundering operations for the Taliban leadership outside of Afghanistan. The case of Bari also emphasizes the challenge that Taliban cooperation with professional money-launderers presents to financial regulators in Afghanistan and the region. The Team will continue to engage, in a systematic manner, in relevant initiatives of the Financial Action Task Force and in the second pillar of the Paris Pact initiative of UNODC, which focuses on detecting and blocking financial flows linked to the traffic in opiates.

42. As the case of Hajji Abdul Baqi Bari shows, the Taliban have an established history of using criminal tactics to avert potential pressure from sanctions measures. It must be expected that the Taliban and criminal groups cooperating with them will continue to react flexibly to the imposition of sanctions. Therefore, it seems necessary that the Security Council Committee established pursuant to resolution 1988 (2011) be kept up-to-date on the latest developments in this area.

43. **The Monitoring Team recommends that the Committee mandate the Team to issue, in close cooperation and coordination with the Government of Afghanistan, regular updates that are confidential to the Committee, as appropriate, to keep track of the latest developments in this area, highlight potential vulnerabilities in Taliban efforts to generate assets and develop potential recommendations on how to counter this threat.**

VII. Developing potential countermeasures

44. As mentioned throughout the present report, Taliban cooperation with criminal groups inside Afghanistan and the use by the Taliban of criminal methods and tactics, such as extortion and money-laundering, is a significant challenge for Afghan police forces and the Afghan judiciary. Since 2013, Afghanistan has steadily increased its cooperation with the International Criminal Police Organization (INTERPOL). For example, the National Central Bureau of INTERPOL in Afghanistan has recently electronically connected the country's four international airports and its 11 official land border crossings directly to the central INTERPOL databases in Lyon, France. This enables Afghan border guards at these airports and border crossings to check individuals entering the country against information contained in the various INTERPOL notices and databases.[50] In addition, the National Central Bureau of INTERPOL in Afghanistan regularly utilizes the INTERPOL-United Nations Security

[49] See, for example, Bill Roggio, "US adds Taliban financier, Haqqani Network operative to terror list", *The Long War Journal*, 17 May 2012.

[50] Monitoring Team discussion with the National Central Bureau of INTERPOL in Afghanistan, Kabul, November 2014.

Council Special Notices to check travellers entering the country.[51] As a global organization of police forces, INTERPOL offers tools for countering the threat posed by Taliban cooperation with organized crime. In addition, INTERPOL instruments have the potential to effectively augment pressure exerted through Security Council sanctions measures against listed individuals and entities.

45. The Team, in cooperation and coordination with the Government of Afghanistan, as well as the National Central Bureau of INTERPOL in Afghanistan, will work to develop a range of specific and feasible recommendations focusing on countering the threat of Taliban cooperation with organized crime in Afghanistan. The Team will report on them to the Committee in due course.

Contributing to the public debate

46. The Team would welcome feedback on the analysis and suggestions contained in the present report, which can be sent to 1988mt@un.org.

[51] Statistics provided regularly by INTERPOL to the Secretariat.